Presentation No. Three

AVAILABILITY OF TOBACCO FOR MODERN CIGARETTES

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Available: Transcript - Yes
Pre-conference Excerpt - Yes

A well written and superbly delivered talk, lean on generalities and plump with statistical data. On U.S. per capital cigarette consumption: 54 pieces annually in 1900; 3746 today. On world cigarette output; 490 billion pieces in 1940; 4.6 trillion in 1982. Tobacco used for cigarettes has grown from one-third of that produced in 1935 to more than 80 percent of that produced today. On changes in the American - blend cigarette, the most popular in the world; twenty years ago this blend was: 55% flue-cured, 35% Burley, one-two percent Maryland, and eight-nine percent Oriental leaf. Today that U.S. blend consists of: 43% flue-cured, 41% Burley, 14% Oriental, and about two percent Maryland. The growth rate in world cigarette production is on the decline (dramatic annual growth from the early forties, leveling off to four-five percent in the sixties; declining to two-three percent in the seventies and with an increase of only .3% in 1982). Some culprits mentioned are: rising cigarette prices; the health issue; higher taxes; and general economic recession. Significant growth in the future is expected to follow population and income increases giving the impetus to developing countries and centrally planned economies, with slight or no growth in the developed countries of North America, Europe, and Japan. On cigarette design: filter cigarettes have risen from a small percentage of the total output thirty years ago to over 90% of world output today. Key factors have been the health issue and production costs. In 1976, 2.02 lbs. of leaf produced 1000 cigarettes; by 1981, with fuller utilization of the leaf through sheet and expanded tobacco only 1.74 lbs. were required to produce 1000 cigarettes. Higher cigarette prices have adversely affected sales and quality leaf production. Generic, or lower priced cigarettes now have a tremendous (30%) share of the West Germany market. Dr. Kiger went into detail about the ailing U.S. flue-cured tobacco market, telling why U.S. marketings for 1983 are about 500 million pounds less than 1975 marketings. Eleven pages of Dr. Riger's transcript deals with the present and future problems of the U.S. flue-cured tobacco market, and how price, quality and government involvement have all had a bearing on the declining status. The transcript should be read by those interested; a few more lines to this summary cannot do justice to the many facts, figures, and charts in this part of the transcript.

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